



How to Pay for The Mamdani Agenda

It's possible to build a more affordable New York City

Introduction

The wealthy have seen a steep decline in their tax rates over the last 60 years, but no one has sought to rob the poor and give to the rich as much as Donald Trump. The first Trump administration's signature accomplishment was a tax cut for corporations and millionaires—a cut that has already cost our country trillions of dollars. Now, Donald Trump wants *more* tax cuts that will cost [\\$4 trillion](#) over the next ten years. Congressional Republicans are committed to pushing these through, even if it means cutting trillions of dollars in spending on Medicaid, food stamps, public schools, public transportation, and more.

New York will not be immune to Trump's attacks on public services. Our city budget relies on \$10 billion in federal funding, and our state budget relies on \$90 billion in federal funding. These funding streams have already come under attack, with [disaster relief programs](#) one of the first targets. We know that Trump has set his sights on the MTA, public schools, and Medicaid. Put simply, we have no choice but to fight back and protect everyday New Yorkers. And fighting back means finding a way to fund an agenda that allows working people to thrive amidst Trump's chaos: affordable housing, fast and free buses, universal childcare, safe streets and subways, and more.

The Mamdani administration has a plan to pay for this agenda by raising taxes on the most profitable corporations and the wealthiest New Yorkers, reversing decades of tax cuts and disinvestment.

We know that our plan will work because New York City has a \$1.3 trillion economy and it can afford to support a stronger public sector. Our tax base is stable and growing, with new millionaires minted every year. But New York City taxes everyone at the same rate, regardless of whether you make \$50,000 a year or \$5 million. And our state corporate tax rate is lower than *all* our neighboring states—New Jersey, Connecticut, Massachusetts, Pennsylvania, Vermont, Rhode Island, and even New Hampshire. We don't leverage our economic strength or stability to deliver for working class people. We fail to collect taxes we're owed and, under Eric Adams, we have gotten even worse at enforcing our tax laws. In short, money that could be invested into the future of this city is instead being wasted.



Meanwhile, Andrew Cuomo spent a decade in Albany refusing to tax corporations and billionaires, bankrolling Elon Musk's pet projects, and gutting the pensions of teachers and public hospital employees.

Zohran Mamdani will turn the page on the failed leadership of Eric Adams and Andrew Cuomo. The Mamdani administration will fund its bold agenda by making sure everyone pays their fair share while spending our tax money smartly.

Our Plan to Raise \$10 Billion At a Glance:

- Taxing the Wealthiest New Yorkers
 - Raising the top state Corporate Tax rate to 11.5 percent—the same rate as New Jersey's. **Raises \$5 billion a year.**
 - Adding a 2 percent New York City Income Tax for anyone making more than \$1 million a year. **Raises \$4 billion a year.**
- Smart Governance
 - Common Sense procurement reform. **Raises \$300 million a year.**
 - Collecting money the City is owed. **Raises \$690 million a year.**

NYC Budget 101

New York City has the largest local budget in the U.S., reflecting the economic power and importance of the City. The city's budget for the current fiscal year is \$115 billion, consisting of \$85 billion in city funds, \$20 billion in state funds, and \$10 billion in federal funds. The New York City government employs 300,000 full-time employees, but about 15,000 of these positions are still vacant (due to hiring freezes and fiscal austerity).

The city has a population of 8.5 million people, and city residents collectively earn about \$500 billion per year.

Tax Breakdown

The \$85 billion in city funds in the budget consists of \$77 billion in taxes and \$8 billion in miscellaneous receipts (e.g. fines, water charges). As shown below, the City relies largely on the property tax, in part because the city *income* tax is a flat 3.9 percent for all taxpayers, rather than a progressive tax that places higher rates on the wealthiest.

City tax receipts consist of:

- \$35 billion in property taxes (45 percent)
- \$18 billion in personal income taxes (23 percent)
- \$10 billion in sales tax (13 percent)



- \$6.5 billion in corporate tax and \$3 billion in unincorporated business tax (12 percent)
- Remainder in miscellaneous taxes like hotel taxes, mortgage taxes

As the city's economy grows, the city's revenues naturally grow another \$2-3 billion.

People *want* to live in New York City, and it drives higher tax receipts. Before raising any additional money, the next Mayor will likely have nearly 3 percent more money in 2026 than Eric Adams has today—money they must invest in the City, not waste.

In addition to this dynamic of the City receiving more in revenue than it anticipates spending—and the opportunities that presents—the two new taxes the Mamdani administration will champion generate roughly \$10 billion in additional revenue. That would represent nearly 9 percent of the total current budget, greatly expanding our city's capacity to deliver for working class New Yorkers at the exact moment Trump attempts to cut vital services.

The Mamdani Budget Plan

Raising Taxes on the Wealthy

The Mamdani administration has a two-part plan to tax the wealthiest New Yorkers. We will pursue a corporate tax increase for the most profitable businesses operating in New York and champion a tax on the richest 1 percent of New York City residents—those who make over \$1 million dollars a year.

A Tried and True Approach

After Trump slashed taxes for the wealthiest Americans, states and cities have raised taxes on the wealthy to make sure everyone pays their fair share, and to keep providing the public goods that Trump wants to starve. Under the Mamdani administration, New York City will follow suit.

- **In Massachusetts**, the state legislature [enacted](#) a new statewide "Millionaire's Tax" starting at the exact same income level as Zohran's proposal—those earning more than \$1 million a year—at a rate of a 4 percent surcharge on top of other tax obligations. It raised [\\$2.2 billion](#). [Most of the surtax revenue](#) is set to be spent on investment in Boston's public transit system.



- **Washington, DC** [raised](#) taxes on high-earners in 2021. Those raises impacted households making more than \$250,000. Those making over \$1 million saw a 1.8 percent marginal tax rate increase. For someone making \$1 million, that came out to an extra \$6,500. The hike was estimated to raise about \$100 million a year.
- **In New York**, Zohran Mamdani and other state legislators championed generating the revenue needed to provide vital public services in 2021 after the Trump tax cuts starved the state of federal dollars. While then-Governor Cuomo refused to take action, Mamdani led the fight to raise revenue, building consensus within the state legislature to increase taxes on the ultra-wealthy and on corporations. The effort generated \$4 billion in new annual revenue.

(1) Taxing the Wealthiest Corporations in NYS

Corporate tax rates have fallen at both the national and state level, year after year. At the same time, corporate profits have grown sharply, [rising nearly 80 percent](#) since before the COVID pandemic. Donald Trump's key triumph in his first term was a 14 percent corporate tax cut, dropping the corporate tax rate from 35 percent to 21 percent and bringing the US corporate tax rate to its [lowest level since the 1930s](#). This tax cut alone cost the federal government [over \\$1 trillion](#).

New York's corporate tax rate has also fallen over time, from 12 percent in the mid-1970s to 10 percent in the mid-1990s, to just 6.5 percent in 2014 as a result of Andrew Cuomo's corporate tax cut. New York's top corporate tax rate today is 7.25 percent, still lower than all of our neighboring states.

Why do big businesses pay less in New York than in any of our neighbors?

New York's corporate tax rate now [lags](#) behind 15 other states and Washington, D.C. That includes **all** of our bordering neighbors in Connecticut, New Jersey, Massachusetts, Vermont, and Pennsylvania. New Jersey's top corporate tax rate is 11.5 percent while New York's top corporate tax rate is just 7.25 percent.

A majority of all corporate tax revenue is paid by [fewer than 1000 super-profitable](#) corporations. **The Mamdani administration will champion an increase of the top corporate tax rate to 11.5 percent—the same rate as New Jersey—which will raise \$5 billion per year.**

(2) Taxing the 1% for the 99%



The top 1 percent of NYC taxpayers—about 34,000 households—earn over \$1 million each year. This tiny share of the city population takes home 35 percent of all income earned by New York City residents. The top 1 percent also benefited from a large income tax cut under Trump’s first tax bill, when their tax rate was cut from 39.6 percent to 37 percent. This tax cut is likely to be extended in the next federal budget, at a cost of [\\$3.6 trillion](#).

While both the federal income tax and the state income tax impose higher tax rates on those who earn more money—as they are “progressive” tax structures, the NYC income tax is essentially a flat 3.9 percent tax. Whether you make \$50,000 or \$5 million, you pay practically the same tax rate.

The Mamdani administration will work with Albany to update our NYC income tax to require the wealthiest New Yorkers to pay their fair share. **It will champion a 2 percent tax on all incomes over \$1 million, which raises \$4 billion.**

Under this new plan, someone earning \$1 million will pay an additional \$20,000 in city income tax.

History of Income Tax Increases in New York

It’s important to understand that tax policy is not like a cholesterol level—there isn’t an optimal rate and lower is not always better. Rather, governments can look at their budgetary needs and strength of their tax base to determine fiscal policy. New York has seen income taxes raised by Republicans like Governor George Pataki and Democrats like Mayor David Dinkins alike.

- **1991** - Governor Mario Cuomo and Mayor Dinkins increased city income taxes from 3.91 percent to 4.5 percent to help fund city services during recession
- **2003** - Governor Pataki and Mayor Bloomberg increased city income taxes from 3.65 percent to 4.45 percent, while the state added new bracket at 7.7 percent for anyone earning over \$500,000 to raise revenue after 2001’s dot-com crash and 9-11’s economic after-effects
- **2009** - In response to the financial crisis of 2008, Governor Paterson increased state income taxes on anyone earning over \$250,000 to 7.85 percent and those earning over \$500,000 to 8.97 percent. (In both cases, these were higher rates than are currently paid by those income brackets)
- **2021** - In the wake of COVID-19, state legislators including Zohran Mamdani successfully fought to raise New York State personal income taxes on incomes



over \$1M, creating new brackets of 9.65 percent, 10.3 percent, and 10.9 percent for those making over \$25M

Smart Governance

Every year New York City loses out on hundreds of millions of dollars in potential revenue by failing to follow basic tenets of good governance. The Mamdani administration will change that, cracking down on tax evasion and government inefficiency.

Common Sense Procurement Reform

The City enters into more than [\\$30 billion in contracts](#) every year. For years, good governance groups have been calling for reform to our procurement system to ensure that we can get the best deal for the public. Understaffing and waste plague this system. Due to it taking the City so long to enter into contracts, many companies don't even want to work with the City anymore. We've seen the number of [bids drop](#) for government contracts, meaning there's less competition for bids and we're paying more money for contracts as a result. The Adams administration has [resisted](#) making even basic reforms to this system. Instead, Adams has used no-bid contracts to consistently pay more than is necessary for various services, often with companies that have no track record and that have subsequently [botched our services](#). Reducing costs by 1 percent—something the Citizen Budget Commission [argues](#) basic reform could accomplish—would save \$300 million per year. The Mamdani administration will do exactly that.

Good governance requires sensible procedures and a staff to implement them. Costs rise when you have too few people trying to do too much, leading to delays and inefficiency. A true focus on good governance will benefit our city budget and our economy.

Collecting What The City Is Owed

This year the City will collect close to \$70 billion in tax revenue. However, the Department of Finance (DOF) currently employs fewer than 300 tax auditors to audit the 4 million filings that produce this revenue. That's nearly [25 percent fewer](#) auditors than the DOF employed prior to the pandemic, during which it collected far more revenue from tax audits than it does now. **Yet, we know that tax auditors are critical to ensuring New York City receives the taxes it is owed—with revenue from tax audits often exceeding \$1 billion per year.** Mayor Adams' failure to hire staff to enforce the tax code is costing the



public money that should be making our schools stronger, our streets safer, and our buses and trains run more smoothly.

The New York City Independent Budget Office has calculated the relationship between auditors and revenue specifically in NYC, finding that hiring just 50 additional tax auditors will increase NYC revenue by [\\$165 million](#). There's reason to believe revenue generated would be even larger. Audits lead to long-term change in behavior of those audited, which [increases revenue years later](#). Economists estimate that [every \\$1 spent on audits produces \\$2 in increased revenue](#), while every \$1 spent on audits of extraordinarily wealthy individuals produces [\\$12 of return](#). **By increasing the number of tax auditors, the Mamdani Administration will bring in an additional \$165 million a year at least and put it to work for New Yorkers.**

Furthermore, New York City is [owed](#) more than \$2.1 billion in unpaid fines—a situation that has [worsened](#) under Eric Adams. Landlords alone owe [\\$800 million](#) for negligent management of their buildings. This is money that should be making the lives of working class people better, but the City hasn't made collection a priority. Various audits have revealed that city agencies are unable to make even basic attempts to collect funds that are owed. In many cases, staffing shortages mean that it takes years to try to collect from delinquent landlords with judgments against them. **The Mamdani administration [will rectify](#) this, staffing at the level required to collect 25 percent of these outstanding fines per year, resulting in collecting an additional \$525M a year for the next term.**

Conclusion

With Trump padding the pockets of the rich at the expense of working people, it is imperative that the Mayor fights back while improving life for New Yorkers. We need an administration willing to roll up its sleeves, ensure the wealthiest corporations and individuals pay their fair share, and run a more efficient government. That is exactly what Zohran Mamdani's administration will do.